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U.S. Department of Agriculture
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I've been told that this is a thoughtful and analytical audience. So I've come to discuss two issues that we find in Washington demand plenty of thought and analysis: the emerging SALT II Treaty and the Multilateral Trade Negotiations, their relationship to one another, and their relationship to American agriculture.

Your support in these issues is vitally important, so I've come here to ask for your understanding.

You may ask how these matters are related...one with its talk of arms and missiles, built around a denial of war; the other with its language of trade and commodities, built around an aspiration to peace and cooperation.

Guns and butter, you've seen it before, two extremes, staples of destruction...and of life.

Thinking people don't look for extremes or totality. They understand that a perfect world order with unfettered trade and bread for every human being is as unlikely as an unchecked arms race with its potential for total annihilation is unacceptable.

They look for the compromise that brings stability and lends itself to peaceful coexistence.

And thinking people don't look for haste.

The SALT process has been and will continue to be a lengthy one.

It has been what Adlai Stevenson called 17 years ago in a speech before the United Nations, a "remorseless effort to solve the infinitely complicated problems of disarmament."

Remarks prepared for delivery by Secretary of Agriculture Bob Bergland, before the Chicago Council on Foreign Relations, Chicago, Illinois, May 8, 1979

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This effort, this bipartisan, nonpartisan effort to limit nuclear arms, has been remorseless for every President since Eisenhower. It was remorseless for President Johnson who delayed the start of the SALT talks for a year when Soviet forces moved into Czechoslovakia in the spring of 1968. It was remorseless for President Ford who secured an important breakthrough on intercontinental range systems from General Secretary Brezhnev at Vladivostok in 1974. And it has been remorseless for President Carter who has worked ceaselessly to formalize six years of negotiations and the work of three administrations in a strategic arms limitation agreement.

The merits of the SALT II Treaty can be viewed on their own and in the context of the international political climate.

Almost 25 years ago President Eisenhower said that humanity has achieved for the first time in its history the power to end its history.

On its own merits, SALT will contribute to the security of the United States by reducing the risk of a nuclear war that would destroy us and much of human civilization.

President Carter will not sign a SALT II agreement unless it enhances the security of our country. It will maintain the stability that has helped to safeguard us from the threat of nuclear war. It will protect the massive strength of our nuclear deterrent--the bombers, land-based missiles and submarines which make up our strategic nuclear "triad."

The stability of the nuclear balance between the United States and the Soviet Union is based on the ability of each nation to devastate the other if attacked and on the "essential equivalence" of strategic forces.

While the Soviets have more and heavier land based missiles, for example, we have almost double the number of strategic warheads. They have extensive air defenses, but we can arm our larger heavy bomber force with cruise missiles that can penetrate those defenses.

I could continue with illustrations of our "essential equivalence." But these examples are less to the point than is the fact that an attack by one side is an invitation to massive retaliation by the other.

Strategic balance as a deterrent to nuclear confrontation is clearly in the best interests of both nations.

The SALT II Treaty is in no way a substitute for a strong defense.

For the United States, the term "strategic balance" means two courses of action.

First, we must continue to modernize our strategic forces to maintain our deterrent ability and to respond to the rapid buildup of Soviet nuclear forces of recent years.

And second, we must continue to negotiate limits to curb the strategic competition in an equitable and verifiable manner.

This treaty will not be based on trust. It will make fully adequate provision for verification of the terms of the agreement. This verification is important in two respects. It is important so we can be sure that there has been compliance with the treaty. And it enables us to know what is happening to the strategic nuclear forces on the other side, a very important contribution of SALT.

Paul Warnke, who was our chief SALT negotiator in 1977 and 1978, has made the point that for SALT to work, there must be something in it for both sides. And there is.

"This is an instance," Mr. Warnke has said, "in which our separate national interests can find common ground; and for both countries, sound, effective, verifiable strategic arms control is preferable to the alternative.

"Consider the alternative for the Soviets. The alternative is an absolutely unchecked strategic arms race with a richer and more technologically advanced nation; an arms race that they know we would not let them win.

"For us, on the other hand, the alternative to SALT is the expenditure of billions of dollars more each year with no gain in national security and perhaps a net loss because the strategic balance might be destabilized by some new developments."

We cannot delude ourselves that SALT II will end the competition between the United States and the Soviet Union. It will not. But it will keep in motion the process of controlling the arms race between these two formidable powers and limiting the spread of nuclear weapons to other nations.

For the present, those are our goals.

If we recognize that SALT will not herald a new era in our continuing competitive relationship with the Soviet Union, we must also recognize what it will do, apart from the specific terms of the treaty.

Over 2,000 years ago, Cicero said that "the sinews of war are infinite money..."

While SALT may not lead to an immediate reduction in the defense budget, it will in the long term free billions of dollars for pressing domestic needs, including farm needs, that would otherwise go to defense.

Beyond weapons and money, the full effect of SALT can only be understood when the treaty is viewed in the context of the totality of our relationship with the Soviet Union.

And in this sense, the ongoing process of SALT has been as crucial to the relationship between our two nations in the past decade as finalization of the treaty will be to our relationship in the future. The SALT II Treaty will establish the base for subsequent steps in this ongoing process.

Failure of the Treaty would mean not only the failure of the agreement itself, but the destruction of a process on which the Free World has come to depend.

President Carter said in February that with the rejection of SALT II, "Each crisis, each confrontation, each point of friction--as serious as it may be in its own right--will take on an added measure of signifiance and an added dimension of danger."

I am here to tell you today that with the acceptance of SALT II, each step in cooperation, each instance of reciprocation--as small as it may seem in its own right--will take on an added measure of significance and will make its own contribution toward world peace.

I have seen this work in agriculture. And I know it's true.

Largely because of the political stability lent our relations by the SALT process, in the past few years we have been exploiting our common concerns, not our differences.

Exactly one year ago, I visited the USSR, Poland, Hungary and Romania to discuss agricultural cooperation and trade.

The USSR and Eastern Europe are putting great emphasis on expanding their livestock production and satisfying growing consumer demand for livestock products. They need our feed grains. And we need their business.

In 1978, our total agricultural exports to Eastern Europe, not including the Soviet Union, were $1.2 billion, up from $894 million in 1977.

The Soviet Union was third last year among markets buying more than $1 billion worth of U.S. farm commodities. The USSR took record U.S. agricultural exports of about $1.7 billion, up from about $1 billion the year before.

The major U.S. commodity imported by the Soviets was grain--14 million metric tons of it.

A grain sales agreement with the Soviet Union has assured us of a market of at least 6 million tons each year--divided equally between corn and wheat--for five years.

Since that meeting last year, the United States and the Soviet Union have agreed to an additional agricultural cooperative exchange of 11 Soviet teams and 9 U.S. teams.

We want to increase the amount of economic and scientific information available to both sides. We want to expand contacts with institutions and specialists. We want to provide an atmosphere, much like that fostered by the SALT negotiations, in which U.S.-USSR agricultural trade can improve.

If the Soviets are now looking to the U.S. for their needed supplies of feedstuffs, passage of SALT II can cement that reliance.

We are the primary source of feed grains on the international market--54 percent of all the wheat and coarse grains now being traded on world markets originated on American farms--but our competitors are catching up. Argentina and Brazil are aggressively increasing their production of corn and soybeans, and they are vigorous sellers.

A SALT II agreement could also positively affect U.S.-USSR agricultural trade by releasing funds that the Soviets might otherwise spend on armaments. The Soviets not only need to increase their livestock production; they need the mechanization and technology to do it.

The Soviet Union is neither a political nor a technological superpower.

With a SALT II treaty, it is conceivable that the Soviets would divert funds from defense--and it is estimated that they devote 11 to 13 percent of their gross national product to the military--to purchasing our agricultural technology and know-how.

These commodities are as valuable to them as our corn and wheat.

In 1961, in his Inaugural Address, John Fitzgerald Kennedy said that, "...man holds in his mortal hands the power to abolish all forms of human poverty and all forms of human life."

This is a terrible power and a terrible responsibility, the power to choose between guns and butter.

This is a crucial time in America, indeed in world history. For the preliminaries are finished. The time for talk has passed. Decisions won't wait any longer. And the decisions aren't easy: peaceful coexistence in the form of SALT II...trade in the form of the MTN's. Both come under the umbrella of "security." Both demand careful attention by thoughtful people. And both mean compromise.

In the same way that SALT has implications for American agriculture, the agricultural benefits of the MTN's are important for all U.S. citizens, not just farmers.

Agriculture and its related enterprises--transportation, processing, distribution, retailing and exporting--generate one-fifth of all the jobs in this country. Agriculture is our largest industry and its growth depends heavily on trade.

Agricultural exports alone provide more than 1 million full-time jobs, on and off the farm. Those exports last year were valued at $29.4 billion. That's a record total for the ninth straight year and represents about one-fifth of all U.S. exports.

I won't oversell to you the gains that we made in the recently concluded Tokyo Round negotiations. We did not get everything we wanted. And many of the gains can't be measured in literal dollars and cents terms.

A chief purpose of the MTN's, for example, was to halt the drift toward protectionism. The agreements reached in Geneva should accomplish this.

Even the economic implications of the agreements are difficult to measure.

To say that we obtained important concessions from the developed countries covering about $3.8 billion in our agricultural exports is only to provide a rough measure in today's terms. It says little about what these concessions will mean tomorrow.

In the early 1960's, for example, we came away from the Dillon Round of trade negotiations with a duty-free binding on soybeans to the European Community covering about $150 million in soybean exports.

That duty-free binding is still in place. And today those soybean exports to the EC are worth over $2.5 billion each year.

Offers from our two leading trading partners--the European Community and Japan--make up the largest share of the concessions we received. The Japanese have offered concessions covering agricultural exports worth about $1.5 billion, including citrus, beef, and soybeans. EC offers cover about $700 million in U.S. exports of beef, poultry, tobacco, rice and fruit products.

For these benefits, we had to offer what we consider modest concessions of our own. These cover about $2.6 billion in agricultural imports, on a 1976 basis.

Since the early 1970's, the U.S. has been concerned about the proliferation of nontariff trade barriers. Through the agreements in Geneva, we negotiated international codes to bring these nontariff devices under control.

The most important of these codes to agriculture is the code on subsidies.

This code reduces the unfair advantage some of our competitors have had through subsidies in markets for grains worth nearly $12 billion last year.

The new Subsidy Code provides redress when subsidies are used to gain an undue share of a third country market at another country's expense or to materially undercut prices. This code will give U.S. agriculture new rights in the international market. It will let us call offenders to account, to present the case against them, and settle the dispute.

The Geneva agreements will not bring an immediate surge in U.S. agricultural exports. Our estimate for this fiscal year remains the same: over $30 billion, with a $15.5 billion net contribution to the nation's balance of trade.

But an immediate surge in exports wasn't our goal.

Our goal was an agreement that would bring long-term benefit to American agriculture; that would stem world protectionist policies; that would recognize the fact that while the world's peoples are separated by different economics and needs, they are also bound by the globe's finite agricultural resources.

We have tried to approach the MTN's, as we have tried to approach the SALT negotiations, with the U.S. moral authority that Governor Jimmy Carter described to the Council in 1976. U.S. moral authority, he said, should be restored in the search for peace, arms control, and support of humanitarian aspirations of the world's peoples.

With Congressional support, and with attention ~~and~~ thought to these complicated issues by groups like the Council, we will have come a long way toward building the just and peaceful world order that is the ultimate end of this administration's foreign policy.

Thank you.

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